

**AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE EAST DOWNTOWN REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER FIFTEEN, CITY OF HOUSTON, TEXAS (EAST DOWNTOWN ZONE); APPROVING THE FISCAL YEAR 2013 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2013-2017 CAPITAL IMPROVEMENTS BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, the East Downtown Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Fifteen, City of Houston, Texas (the "Zone"), has submitted an Operating Budget for Fiscal Year 2013 (the "Operating Budget") and a five-year Capital Improvements Budget for Fiscal Years 2013-2017 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval pursuant to the interlocal agreement among the City, the Authority, and the Zone approved by Ordinance No. 2000-663 ("Tri-Party Agreement"); and

**WHEREAS**, the Budgets are based on the following assumptions:

1. The timely implementation of capital improvement projects in the Budgets may require the Authority to incur debt; and
2. The City's Chief Development Officer will assist the Authority in identifying a cost-efficient method to finance the costs of the capital improvement projects

**WHEREAS**, the City Council desires to approve the Budgets; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON,  
TEXAS:**

**Section 1.** That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** That the City Council takes cognizance of the fact that in order to implement the Project Plan and Reinvestment Zone Financing Plan for the Zone, and to make adjustments occasioned by events transpiring during the year, the Authority, upon the approval of the City's Chief Development Officer, may transfer funds from one Line Item of Project Costs shown on Exhibit "A" to another. Unless approved by the City Council, the Authority may transfer funds only (1) as needed for Debt Service; and (2) from one Line Item of Project Costs to another, provided that the aggregate of such transfers does not exceed \$400,000 during Fiscal Year 2013. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

**Section 3.** That the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

**Section 4.** That not later than March 31, 2013, the Zone and the Authority shall, in cooperation with City representatives (1) identify surplus funds in the Authority's Fiscal Year 2013 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2013 Operating Budget for the Authority approved by the City; and (2) make available any surplus Zone funds, through appropriate agreement, for projects identified by the City that are eligible for tax increment funding, such as affordable housing, areas of public assembly, incremental costs of municipal services attributable

to development and redevelopment in the Zone, and capital projects that benefit the City and the Zone. The agreement may provide for the payment of surplus funds into one or more accounts established by the City or may provide for direct payment by the Authority for the purpose. The Zone and the Authority shall consider amendments to the Project Plan and Reinvestment Zone Financing Plan for the Zone that may be necessary to accomplish this purpose, and shall expedite any such amendments.

**Section 5.** That the City's Chief Development Officer is directed to assist the Authority in identifying a cost-efficient method of financing public infrastructure consistent with financing principles used by the City.

**Section 6.** That approval of this Budget is contingent upon receipt by the Chief Development Officer of a document signed by the Administrator of the Authority and/or Zone disclosing the name of each owner or developer of property within the Zone from which the Administrator has received compensation during the last five calendar years, and the amount of compensation by owner by year. Compensation may be expressed by category as follows:

Category I	Less than \$1,000.00
Category II	At least \$1,000.00 but less than \$10,000.00
Category III	At least \$10,000.00 but less than \$50,000.00
Category IV	At least \$50,000.00 but less than \$100,000.00
Category V	At least \$100,000.00 but less than \$500,000.00
Category VI	At least \$500,000.00 but less than \$1,000,000.00
Category VII	\$1,000,000.00 or more

**Section 7.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 19<sup>th</sup> day of September, 2012.

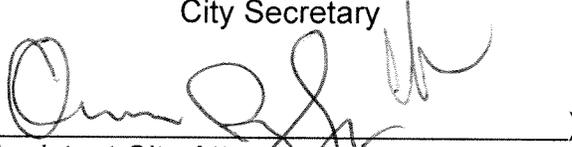
APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mayor

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 25 2012.

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Department  
(SOI:sio 9/14/12)  
(Requested by Andrew F. Icken, Chief Development Officer)  
(L.D. File No. 0619900058054)

  
\_\_\_\_\_  
Assistant City Attorney

AYE	NO	
✓		<b>MAYOR PARKER</b>
••••	••••	<b>COUNCIL MEMBERS</b>
✓		BROWN
✓		DAVIS
✓		COHEN
✓		ADAMS
✓		SULLIVAN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		BURKS
✓		NORIEGA
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

**EXHIBIT "A"**

**Fiscal Year 2013 Operating Budget for  
East Downtown Redevelopment Authority**

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2013 BUDGET PROFILE

Fund Summary  
 Fund Name: East Downtown Redevelopment Authority  
 TIRZ: 15  
 Fund Number: 7563/50

P R O J E C T F I L E	Base Year:		1999
	Base Year Taxable Value:	\$	121,026,714
	Projected Taxable Value (TY2012):	\$	301,962,402
	Current Taxable Value (TY2011):	\$	293,339,657
	Acres:		387.02
	Administrator (Contact):		City of Houston
Contact Number:		713-837-9573	

N A R R A T I V E	<b>Zone Purpose:</b>
	Mobilize investment and tax base expansion in the East Downtown area by investing resources to design and reconstruct all the basic City infrastructure including Water Lines, Storm Sewer Lines, Sanitary Sewer Lines, Streets and Sidewalks. Provide for environmental cleanup where needed to enable redevelopment to occur. Construction of parking facilities to support retail development.
<b>Accomplishments In FY12 (Projects Underway):</b>	
In fiscal year 2011, the East Downtown TIRZ accomplished:	
<ul style="list-style-type: none"> <li>• Amended the Project Plan and Reinvestment Zone Financing Plan.</li> <li>• Extended the termination date for the Zone to December 31, 2040.</li> <li>• Increased the Debt Authorization for the Zone to \$55 million.</li> <li>• Authorized an Economic Development Agreement with the City of Houston and the Dynamo Stadium LLC for the Development, Construction, Operation and Maintenance of a Multi-Purpose Sports and Entertainment Facility.</li> <li>• Authorized an Interlocal Agreement for Zone participation with Harris County.</li> <li>• Approved an Interlocal Agreement with the City of Houston, Harris County, the Harris County-Houston Sports Authority.</li> <li>• Authorized a Loan Agreement with Compass Bank for funding of Infrastructure improvements at the Dynamo Stadium site.</li> <li>• Authorized a Funding Agreement for Project Design and Construction with the City of Houston for Infrastructure Improvements related to the development of the Dynamo Stadium site.</li> </ul>	

P R O J E C T P L A N		Cumulative Expenses		
		Total Plan	(to 6/30/11)	Variance
	<b>Capital Projects:</b>			
	Public Utilities	\$ 19,553,850	\$ 578,459	\$ 18,975,391
	Roadway and Sidewalk Improvements	\$ 36,119,750	\$ 2,482,870	\$ 33,636,880
	Cultural and Public Facilities	\$ 36,000,000	\$ -	\$ 36,000,000
	Parks and Recreation Facilities	\$ 5,000,000	\$ -	\$ 5,000,000
	Environmental Clean-up	\$ 1,000,000	\$ -	\$ 1,000,000
	<b>Total Capital Projects</b>	<b>\$ 97,673,600</b>	<b>\$ 3,061,329</b>	<b>\$ 94,612,271</b>
	Affordable Housing	8,000,000	49,026	7,950,974
	Financing Costs	30,822,727	1,180,621	29,642,106
	Education Facilities	13,201,622	1,996,285	11,205,337
	Zone Creation and Administration Costs	3,090,000	1,955,808	1,134,192
	<b>Total Project Plan</b>	<b>\$ 152,787,949</b>	<b>\$ 8,243,069</b>	<b>\$ 144,544,880</b>

D E B T	Additional Financial Data	FY2012 Budget	FY2012 Estimate	FY2013 Budget
		<b>Debt Service</b>		
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
	<b>Balance as of 6/30/11</b>		<b>Projected Balance as of 6/30/12</b>	<b>Projected Balance as of 6/30/13</b>
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Developer Agreement	\$ 542,383	\$ -	\$ -
	Other		\$ 20,000,000	\$ 19,000,000

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2013 BUDGET DETAIL

Fund Summary  
 Fund Name: East Downtown Redevelopment Authority  
 TIRZ: 15  
 Fund Number: 7563/50

TIRZ Budget Line Items	FY2012 Budget	FY2012 Estimate	FY2013 Budget
<b>RESOURCES</b>			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Bond Debt Service	\$ -	\$ -	\$ 2,266,709
UNRESTRICTED Funds	\$ 5,371,830	\$ 4,785,947	\$ 2,226,748
<b>Beginning Fund Balance</b>	\$ 5,371,830	\$ 4,785,947	\$ 4,493,457
City tax revenue	\$ 996,698	\$ 1,181,494	\$ 1,259,315
ISD tax revenue	\$ 903,453	\$ 1,052,851	\$ 1,063,754
County tax revenue	\$ 318,786	\$ 380,523	\$ 401,987
Community College tax revenue	\$ -	\$ -	\$ -
<b>Incremental property tax revenue</b>	\$ 2,218,937	\$ 2,614,868	\$ 2,725,056
COH TIRZ Interest	\$ 5,000	\$ 4,947	\$ 4,947
<b>Miscellaneous revenue</b>	\$ 5,000	\$ 4,947	\$ 4,947
Interest Income	\$ 2,000	\$ 3,537	\$ 2,000
<b>Other Interest Income</b>	\$ 2,000	\$ 3,537	\$ 2,000
Developer Advance	\$ -	\$ -	\$ -
COH Infrastructure Contribution	\$ -	\$ -	\$ -
<b>Advances</b>	\$ -	\$ -	\$ -
<b>Grant Proceeds</b>	\$ -	\$ -	\$ -
<b>Special assessment bond proceeds</b>	\$ -	\$ -	\$ -
<b>Proceeds from bank loan</b>	\$ -	\$ -	\$ -
<b>TOTAL AVAILABLE RESOURCES</b>	\$ 7,597,767	\$ 7,409,299	\$ 7,225,460
<b>EXPENDITURES</b>			
Accounting	\$ 9,000	\$ 11,102	\$ 10,000
Administration Consultant	\$ 17,000	\$ 22,173	\$ 20,000
Administration Salaries & Benefits	\$ -	\$ -	\$ -
Auditor	\$ 7,000	\$ 6,560	\$ 6,500
Insurance	\$ 900	\$ 830	\$ 900
Tax Consultant	\$ 2,240	\$ 3,840	\$ 3,800
Office Expenses	\$ 250	\$ 2,452	\$ 2,500
<b>TIRZ Administration and Overhead</b>	\$ 36,390	\$ 46,957	\$ 43,700
Legal	\$ 35,000	\$ 15,043	\$ 20,000
Construction Audit	\$ 5,000	\$ 4,000	\$ -
Infrastructure, Economic, and Environmental Services	\$ 25,000	\$ -	\$ -
<b>Program and Project Consultants</b>	\$ 65,000	\$ 19,043	\$ 20,000
<b>Management consulting services</b>	\$ 101,390	\$ 66,000	\$ 63,700
Capital Expenditures (See CIP Schedule)	\$ 2,270,000	\$ 450,211	\$ 2,226,748
<b>TIRZ Capital Expenditures</b>	\$ 2,270,000	\$ 450,211	\$ 2,226,748
Lofts at Ballpark			
Principal	\$ 542,383	\$ 542,383	\$ -
Interest	\$ -	\$ -	\$ -
EaDo Construction LLP			
Principal	\$ -	\$ 43,200	\$ -
<b>Developer / Project Reimbursements</b>	\$ 542,383	\$ 585,583	\$ -
Debt Service to Stadium Infrastructure			
Fees	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ 1,000,000
Interest	\$ -	\$ 974,000	\$ 726,563

CITY OF HOUSTON  
 ECONOMIC DEVELOPMENT DIVISION  
 FISCAL YEAR 2013 BUDGET DETAIL

Fund Summary  
 Fund Name: East Downtown Redevelopment Authority  
 TIRZ: 15  
 Fund Number: 7563/50

TIRZ Budget Line Items	FY2012 Budget	FY2012 Estimate	FY2013 Budget
Interest (Prepayment at Closing)	\$ 88,333	\$ 88,333	\$ -
Convenience Fee	\$ 546,099	\$ -	\$ -
Stadium Land Purchase - County	\$ -	\$ 258,540	\$ 150,109
<b>System Debt Service</b>	<b>\$ 634,432</b>	<b>\$ 1,320,873</b>	<b>\$ 1,876,672</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 3,548,205</b>	<b>\$ 2,422,667</b>	<b>\$ 4,167,120</b>
Payment/transfer to ISD - Educational Facilities Administration Fees:	\$ 302,383	\$ 352,022	\$ 355,656
City	\$ 49,835	\$ 59,075	\$ 62,966
County	\$ -	\$ -	\$ -
ISD	\$ 25,000	\$ 25,000	\$ 25,000
Affordable Housing:	\$ -	\$ -	\$ -
City	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Transfer to Harris County	\$ 47,818	\$ 57,078	\$ 60,298
Municipal Services	\$ -	\$ -	\$ -
<b>Total Transfers</b>	<b>\$ 425,036</b>	<b>\$ 493,175</b>	<b>\$ 503,920</b>
<b>Total Budget</b>	<b>\$ 3,973,241</b>	<b>\$ 2,915,842</b>	<b>\$ 4,671,040</b>
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Debt Service	\$ 1,794,753	\$ 2,266,709	\$ 2,554,420
UNRESTRICTED Funds	\$ 1,829,773	\$ 2,226,748	\$ -
<b>Total Ending Fund Balance</b>	<b>\$ 3,624,526</b>	<b>\$ 4,493,457</b>	<b>\$ 2,554,420</b>
<b>Total Budget &amp; Ending Fund Balance</b>	<b>\$ 7,597,767</b>	<b>\$ 7,409,299</b>	<b>\$ 7,225,460</b>

Notes:

The TY11/FY12 Estimate for incremental property tax revenue and transfers from the City of Houston, all ISDs, Harris County, and Community Colleges is based on the Harris County Tax Office collections report dated April 2012.

The TY12/FY13 Budget for incremental property tax revenue and transfers is based on the TY11 Harris County Tax Office collections report dated April 2012 and the Harris County Appraisal District's tax year 2012 projections by property use category.

The City of Houston provided funding for CIP T-1502 in fiscal year 2011.

**EXHIBIT "B"**

**Fiscal Years 2013-2017 Capital Improvement Projects Budget for  
East Downtown Zone**

2013 - 2017 CAPITAL IMPROVEMENT PLAN  
 TIRZ No.15 - East Downtown Redevelopment Authority  
 CIP by Project

CITY OF HOUSTON - TIRZ PROGRAM  
 Economic Development Division

Council District	CIP No.	Project	Fiscal Year Planned Appropriations							FY13 - FY17 Total	Cumulative Total (To Date)	
			Through 2011	Projected 2012	2013	2014	2015	2016	2017			
H. I	T-1501	East Downtown Roadway and Utility Improvements		450,211	2,226,748						2,226,748	\$ 2,676,959
H. I	T-1502	Polk Sanitary Sewer Project										\$
<b>Totals</b>				450,211	2,226,748						2,226,748	2,676,959

2013 - 2017 CAPITAL IMPROVEMENT PLAN  
 TIRZ No. 15 - East Downtown Redevelopment Authority  
 CIP by Sources of Funds

CITY OF HOUSTON - TIRZ PROGRAM  
 Economic Development Division

Source of Funds	Fiscal Year Planned Appropriations										Cumulative Total (To Date)
	Through 2011	Projected 2012	2013	2014	2015	2016	2017	FY13 - FY17 Total			
TIRZ funds	-	450,211	670,748	-	-	-	-	-	670,748	-	1,120,959
Revenue bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Proceeds from bank loan	-	-	-	-	-	-	-	-	-	-	-
Developer Advance/Reimbursement	-	-	-	-	-	-	-	-	-	-	-
City of Houston	-	-	1,556,000	-	-	-	-	-	1,556,000	-	1,556,000
Grants	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Project Total</b>	-	<b>450,211</b>	<b>2,226,748</b>	-	-	-	-	-	<b>2,226,748</b>	-	<b>2,676,959</b>

Note: The City of Houston provided funding for CIP T-1502 in fiscal year 2011.

Project:	East Downtown Roadway and Utility Improvements	City Council District	Key Map:		WBS.:		
			Location:	Geo. Ref.:			
		H, I	Neighborhood	61, 63	T-1501		
<b>Description:</b>	Roadway, public utilities and sidewalks reconstruction/replacement, streetscape/pedestrian amenities, and landscaping	H, I					
<b>Justification:</b>	Street segments, public utilities and sidewalks are in poor condition. Improvements will benefit area businesses and provide safe pathways for pedestrians.						
		<b>Operating and Maintenance Costs: (\$ Thousands)</b>					
		2013	2014	2015	2016	2017	Total
	Personnel	-	-	-	-	-	\$ -
	Supplies	-	-	-	-	-	\$ -
	SVCS. & Chgs	-	-	-	-	-	\$ -
	Capital Outlay	-	-	-	-	-	\$ -
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FTEs	-	-	-	-	-	-

**Fiscal Year Planned Expenditures**

Project Allocation	Projected Expenses thru 6/30/11	2012 Budget	2012 Estimate	2013	2014	2015	2016	2017	FY13 - FY17 Total	Cumulative Total (To Date)
<b>Phase</b>										
1 Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	270,000	450,211	152,000	-	-	-	-	\$ 152,000	\$ 602,211
4 Construction	-	1,875,000	-	2,074,748	-	-	-	-	\$ 2,074,748	\$ 2,074,748
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Other Sub-Total:</b>	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Allocations</b>	\$ -	\$ 2,145,000	\$ 450,211	\$ 2,226,748	\$ -	\$ -	\$ -	\$ -	\$ 2,226,748	\$ 2,676,959

Source of Funds	2012 Budget	2012 Estimate	2013	2014	2015	2016	2017	FY13 - FY17 Total	Cumulative Total (To Date)
TIRZ Increment Revenue	-	-	-	-	-	-	-	\$ -	\$ -
TIRZ Increment Bond Funds	750,000	450,211	670,748	-	-	-	-	\$ 670,748	\$ 1,120,959
City of Houston Grant Funds	1,395,000	-	1,556,000	-	-	-	-	\$ 1,556,000	\$ 1,556,000
Developer Reimbursements	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Funds</b>	\$ 2,145,000	\$ 450,211	\$ 2,226,748	\$ -	\$ -	\$ -	\$ -	\$ 2,226,748	\$ 2,676,959

<b>Project:</b>	Polk Sanitary Sewer Project		<b>City Council District</b>	Key Map:		WBS.:		T-1502	
<b>Description:</b>	Sanitary sewer connection beneath Polk on Delano between Dallas and Clay.		Location: H, I	Geo. Ref.:		2015		2016	
<b>Justification:</b>	No existing sanitary sewer facilities exist on Delano between Clay and Dallas or Polk between Nagle and Delano. Service is needed to facilitate a planned single family residential development.		Served: H, I	Neighborhood: 61.63		2017		Total	
			<b>Operating and Maintenance Costs: (\$ Thousands)</b>						
			2013	2014	2015	2016	2017	Total	
			Personnel	-	-	-	-	-	\$ -
			Supplies	-	-	-	-	-	\$ -
			Svcs. & Chgs.	-	-	-	-	-	\$ -
			Capital Outlay	-	-	-	-	-	\$ -
			<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			FTEs	-	-	-	-	-	-

**Fiscal Year Planned Expenditures**

Project Allocation	Projected Expenses thru 6/30/11	2012 Budget	2012 Estimate	2013	2014	2015	2016	2017	FY13 - FY17 Total	Cumulative Total (To Date)
<b>Phase</b>										
1 Planning	-	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -
3 Design	-	25,000	-	-	-	-	-	-	\$ -	\$ -
4 Construction	-	100,000	-	-	-	-	-	-	\$ -	\$ -
5 Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -
7 Other	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Other Sub-Total:</b>	-	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Allocations</b>	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source of Funds	2012 Budget	2012 Estimate	2013	2014	2015	2016	2017	FY13 - FY17 Total	Cumulative Total (To Date)
TIRZ Increment Revenue	125,000	-	-	-	-	-	-	\$ -	\$ -
TIRZ Increment Bond Funds	-	-	-	-	-	-	-	\$ -	\$ -
City of Houston Grant Funds	-	-	-	-	-	-	-	\$ -	\$ -
Developer Reimbursements	-	-	-	-	-	-	-	\$ -	\$ -
<b>Total Funds</b>	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -